

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF UNION LIGHT,)	CASE NO. 9735
HEAT AND POWER COMPANY FROM)	
NOVEMBER 1, 1984, TO)	
OCTOBER 31, 1986)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Union Light, Heat and Power Company ("ULH&P") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel clause charge in accordance with 807 KAR 5:056, Section 1 (2).

In response to the Commission's requests for information, ULH&P provided all requested information; and following proper notice, a hearing was held on February 10, 1987. In his testimony, ULH&P's witness, Albert T. Moeller, Return Analyst, recommended that the current base fuel cost of 19.091 mills per KWH remain unchanged.¹

¹ Transcript of Evidence, February 10, 1987, page 7.

The sole intervenor in this case was the Utility and Rate Intervention Division of the Attorney General's Office ("AG"). The AG did not offer testimony, and on cross-examination did not challenge the level of actual fuel cost included in ULH&P's monthly fuel filings, or the proposed base fuel cost of 19.091 mills per KWH.

The Commission, having considered the evidence of record and being advised, finds that:

(1) ULH&P has complied in all material respects with the provisions of 807 KAR 5:056.

(2) ULH&P's proposed base fuel cost of 19.091 mills per KWH should be approved.

(3) The base fuel cost of 19.091 mills per KWH is the same base fuel cost currently included in ULH&P's base rates.

IT IS THEREFORE ORDERED that:

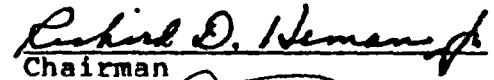
(1) The charges and credits applied by ULH&P through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

(2) ULH&P's proposed base fuel cost of 19.091 mills per KWH be and it hereby is approved.

(3) The base rates set forth in ULH&P's current tariffs shall remain unchanged.

Done at Frankfort, Kentucky, this 14th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director